

BUDGET LETTER

	NUMBER: 14-13
SUBJECT: GENERAL STATEWIDE SECTIONS	DATE ISSUED: July 16, 2014
REFERENCES: BUDGET ACT OF 2014 (CHAPTER 25, STATUTES OF 2014)	SUPERSEDES: BL 13-07

TO: Agency Secretaries
Department Directors
Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

The Budget Act of 2014 contains five changes to general statewide sections that may affect many departments. Section 35.35 was added and Sections 1.50 and 11.00 were revised. Sections 8.56 (Reductions to Funding Related to the Federal Government Sequestration) and 31.10 (Position Adjustments) were eliminated. The new or revised sections are summarized below. Departments must read the entire revised or new section to ensure full compliance and understanding. For additional information, please contact your Department of Finance (Finance) budget analyst.

SECTION 1.50—Technical Corrections

Section 1.50 authorizes Finance to approve department requests to make certain technical budget changes. This section has been revised to provide specified flexibility to address the potential need to make technical corrections, changes, or cleanup to items as a result of the conversion to and implementation of the Financial Information System for California (FI\$Cal).

SECTION 11.00—EDP/Information Technology Project Reporting Requirements

Control Section 11.00 has been amended so that required legislative notifications are triggered by increases in total project cost of \$5 million or 20 percent, whichever is less, rather than based solely on contract changes. Control Section 11.10 remains unchanged. Finance will issue a separate Budget Letter that describes Section 11.00 reporting procedures in the near future.

SECTION 35.35—FI\$Cal—Short Term Cash Loans

Section 35.35 authorizes Finance to make a short term cash loan to a department from the General Fund or from other funds administered or used by the department, if the department is implementing FI\$Cal and demonstrates it is unable to collect reimbursements or amounts payable from another fund, and results in a temporary cash shortage in a state operations appropriation.

These loans are considered cash flow loans for temporary cash shortages and shall not constitute budgetary loans, revenues, or expenditures. Finance shall make the final determination of the budgetary and accounting transactions and treatments to ensure proper implementation of the provisions of this section, pursuant to Government Code section 13344.

If you have any questions regarding these changes, please call your Finance budget analyst.

/s/ Todd Jerue

TODD JERUE
Chief Operating Officer